DEMOCRATIC

GERMAN REPORT

VOL. III NO. 14 JULY 9th 1954 Price: 15 Pf., 5 c., 3 d

IG FARBEN IS BACK

Dividends For Slave Camp Profiteers

The great chemical combine which provided the gas for Hitler's extermination camps will pay out dividends of seven percent this year: and the money will go to the same German financiers and bankers who drew huge profits from nazi rearmament and the work of hundreds of thousands of slave labourers.

In this special issue of GERMAN REPORT we give you facts and figures on the comeback of the IG Farben chemical combine, since it was seized by the allies at the end of the war as "a major threat to the peace and security of the world".

At that time it was planned to break up this combine so that it could never again become a threat. Instead the western allies, under US leadership, have handed the entire assets situated in West Germany back to the same industrialists and the same shareholders who ran and owned the company under Hitler. The only difference is that the combine no longer describes itself as IG Farben, but appears in public camouflaged as three major companies — Farbwerke Hoechst, Farbenfabrik Bayer, and Badische Anilin- und Sodafabrik — as well as several minor firms

This is only camouflage, however, since the old shareholders received shares in the three new companies; the three companies coordinate their price policy and announce their dividends jointly; and the shares of all three companies rise in perfect unison in the stock market quotations.

This issue attempts to give you a quick picture of what IG Farben was in the past, and what it is today.

What it will be in the future depends in part on you, and on what action you are taking to see that these merchants of death are not given a new Wehrmacht which they can set in motion again.

IG FARBEN IN EAST GERMANY

What happened to the big properties of IG Farben in East Germany?

The answer is simple. Acting on an Allied Control Council Law promulgated on November 30th 1945, the Soviet occupation authorities destroyed those parts of the factories devoted solely to war production; the other plant was taken over and run as Soviet Limited Companies, producing vital chemical products both for the German civilian economy and to be sent to the Soviet Union and to Poland as reparations for the appalling damage suffered in those countries.

Under Soviet management the plants were converted into model socialist enterprises, with first-class working conditions, good medical services and nursery schools, fine club houses and so on. With the steady drop in reparations liabilities, an ever growing proportion of production came on the East German market, and some of the plants were handed over to the Government of the German Democratic Republic.

Finally, on January 1st 1954, the remaining factories, including the huge Leuna works, were handed over to the East German authorities.

All these former IG Farben factories are now being run as nationally-owned factories, turning out a huge variety of chemicals exclusively for peace industry. Not a single former IG Farben director has a say in their control: not a single former IG Farben share-holder draws a pfennig of profit from them. They are, like all big factories in East Germany, run by the people and for the people.

IN 1945

The Allied Control Council, meeting in Berlin on October 12th 1945, decided to seize and confiscate IG Farbenindustrie, the biggest chemical trust in the world, with plants throughout Germany.

The Control Council assumed the ownership of all the plants, assets and properties of IG Farbenindustrie under a law promulgated on November 30th, 1945, which recalled that the combine **"knowingly and prominently engaged in building up and maintaining Germany's war potential"** and said that it was being taken over **"to ensure that Germany will never again threaten her neighbours or the peace of the world".**

(From Keesing's Contemporary Archives, Bristol, England, page 7663.)

Military Government Germany: United States Zone
General Order No. 2 – IG Farben AG

Whereas it is the main objective of the United Nations to prevent Germany from ever again disrupting the peace of the world;

Whereas IG Farbenindustrie AG played a prominent part in building up and maintaining the German war machine;

Whereas through its world-wide cartel system and practices, IG Farben, as a deliberate part of Germany's bid for world conquest, hampered the growth of industry and commerce of other nations and weakened their power to defend themselves;

Whereas the war-making power represented by the industries owned or controlled by IG Farben constitutes a major threat to the peace and security of the post-war world so long as such industries remain within the control of Germany;

Whereas it is essential to the objectives of the United Nations to take over the direction and control of IG Farben and to seize possession of its property in order to bring about its destruction and the war-making potential which it represents; and

Whereas it is intended that the property seized will be placed at the disposition of the Control Council (Germany) when such action is desired by the Control Council:

IT IS HEREBY ORDERED:

1. All the property within the United States Zone in Germany owned or controlled, directly or indirectly, by IG Farben... with seat and head office at Frankfurt/Main, is hereby specified under paragraph 1 (g) of Military Government Law No. 52 to be subject to seizure of possession, direction and control by military government.

2. The direction and control of IG Farben and the possession of all its property are hereby seized by the Military Governor, United States Zone.

3. Pending the assumption of control by the Control Council... all the powers are hereby delegated to the Deputy Military Governor, United States Zone...

4. ... The Deputy Military Governor shall be guided by the general objectives stated in the preamble hereof and by the following specific objectives...:

a) The making available to devastated non-enemy countries of Europe and to the United Nations... of any of the property seized under this order...

b) Destruction of all property seized under this order and not transferred under the provisions of paragraph (a) above if adapted to the production of arms, ammunition, poison gas, explosives and other instruments of war...

c) Dispersion of the ownership and control of such of the plants and equipment seized under this order as have not been transferred or destroyed pursuant to paragraphs (a) and (b) above.

5. The entire management of IG Farben... are forthwith removed and discharged and deprived of all authority to act with respect to the corporation or its property.

The rights of shareholders in respect of selection of management or control of IG Farben are suspended.

This General Order shall become effective on July 5th 1945.

BY ORDER OF MILITARY GOVERNMENT

OLD DIRECTORS IN NEW CHAIRS

'The entire management of IG Farben... are forthwith removed and discharged and deprived of all authority to act with respect to the corporation or its property," stated the US Military Government Order isued on July 5th 1945 (for full text, see above)

Today, the boards of directors of the successor companies of IG Farben are overwhelmingly packed with former IG Farben directors, managers and other leading figures in the war criminal firm.

Here are the figures:

Farbenfabrik Bayer AG: 15 directors, of whom 12 are former IG Farben directors or employees.

Badische Anilin- und Sodafabrik: 7 directors of whom 6 are former IG Farben directors or employees.

Farbwerke Hoechst AG: 13 directors, of whom 4 are former IG Farben directors or employees.

The board of supervisors of the Badische Anilin can boast such well-known names as that of Hermann J. Abs, financial magnate and intimate of West German Chancellor Konrad Adenauer. This is what the US authorities had to say about Abs nine years ago:

"Hermann Abs, one of the leading German financiers, who has amassed huge sums under National Socialism" (Orientation Pamphlet No. 31/110 issued by US Department of the Army, 1945).

One year later, US official circles were still spreading the truth about Abs:

"Abs was the guiding spirit of the villainous Deutsche Bank, which combined an unusual concentration of economic power with active collaboration in the criminal policies of the nazi regime. Hermann Abs' Deutsche Bank acted as a top-rank agent of the German Government and served the economic penetration of the satellite states and the occupied countries of Europe.

"Abs repaid the advantages granted to him and to his bank by playing an active role in the various organisations and economic committees organised by the nazis.

"The foreign department of the Deutsche Bank rested in the hands of four men who worked under the supervision of Hermann Abs. He devoted his entire attention to extending German domination through Europe."

(Bulletin of US Office of Military Government in Germany, November 1946)

IG ON FILM

Do you want to see a thrilling film of the men who directed IG Farben for the nazis, and how US business interests saved them after the war? Then ask your local film society to show "Council of the Gods", filmed in East Germany by the DEFA film company soon after the Nuremberg trials.

Readers in Britain can hire the film in a 16 mm version with English subtitles from Plato Films, 376 Grays Inn Road, London.

WHERE ARE THEY NOW?

24 leading executives of IG Farben were tried in 1947 by a US Military Court on charges of waging aggressive war, looting, espionage and murder. This listing shows who these men were, their sentences, and what they are doing today

Name	Position under Hitler	Sentence	Present Occupation (1954)
Dr Otto Ambros	IG Farben director; chairman of Chemical Warfare Cttee of nazi Arms Ministry; manager of IG slave-labour factory at Auschwitz; Member of IG commission appointed on June 28th 1941 to take over captured Soviet chemical factories	8 years	Director of Süddeutsche Kalk-Stickstoff-Werke AG, Trostberg, Bavaria (chemical factory)
Fritz Ter Meer	IG Farben director: personally responsible for all poison-gas production; told allied investigators in 1945 "Experiments on camp inmates were justified. They would have been killed anyway."	7 years	Director of T. Goldschmidt AG, Essen (Herr Goldschmidt is director of Farbenfabrik Bayer, IG Farben successor firm).
Heinrich Buetefisch	IG Farben director: head of Leuna chemical combine: production chief of Auschwitz slave-labour factory; SS officer. Member of the "Himmler Kreis" of businessmen closely associated with Himmler.	6 years	Director of Feldmühle Papier- und Grundstoffwerke AG Hillegossen (25 million marks capital: majority of shares held by Hugo Stinnes Industries, Inc., New York) Director of Deutsche Gasolin AG (16 million marks capital: main shareholder IG Farben: quarter interests held by Standard Oil Co. of New Jersey)
Max Ilger	IG Farben director, chief of Berlin office in charge of espionage and propaganda	3 years	Chairman of the "International Society for Christian Reconstruction"
Walter Duerfeld	Constructor and director of IG slave-labour plant at Auschwitz	8 years	Director General of Scholven-Chemie AG, Gelsenkirchen (Chemical firm owned by West German state)
Hans Kugler	Head of the IG Farben dye-export department for eastern Europe; Nazi commissar for stolen Aussiger Verein Factory in Czechoslovakia: officer in nazi "Abwehr" (espionage service)	18 months	Manager of Chemimpex GMBH, Frankfurt (Chemical import-export firm) and of Decorta Bastfaseraufbereitungs GMBH
Fritz Gajewski	IG Farben director: head of AGFA dye branch	aquitted	Managing director of Dynamit AG, formerly Alfred Nobel & Co., Troisdorf (IG Farben successor firm: 8% of share capital of 47 million marks owned by E. I. Du Pont de Nemours & Co. Wilm-

Name	Position under Hitler	Sentence	Present Occupation (1954)
			ington USA, 8% owned by Imperial Chemicals, Britain). Director of Gelsenkirchener Bergwerks AG, Essen (coal mines); awarded Grand Cross of Honour of German Federal Republic on April 24th 1953 by West German President Heuss
Heinrich Hoerlein	IG Farben director: chief of chemical research department and poison gas development	acquitted	Chairman of board of directors of Farbenfabriken Bayer AG, Leverkusen (Dye factory, one of the successor firms of IG Farben)
Christian Schneider	IG director: head of central personnel dept: chief IG Farben counter-espionage official	acquitted	Director of Deutsche Gasolin AG (see Buetefisch, above)
Hans Kuehne	IG director: manager of Leverkusen factory	acquitted	Director of AG für Chemische Industrie, Gelsenkirchen (Chemical firm with capital of 3.5 million marks) controlled by IG successor firm Farbenfabrik Bayer; foreign firms holding share capital include Amalgamated Metal Corp., London, and Schweizerische Gesellschaft für Metallwerte, Basel, Switzerland
Wilhelm Mann	IG director, pharmaceutical dept head	acquitted	Director of Farbenfabriken Bayer AG (IG Farben successor firm); Chairman of Foreign Trade Committee of Federal Association of German Industry
Karl Lautenschlaeger	Manager of IG Hoechst factory	acquitted	Scientific director of Farbenfabrik Bayer AG, Leverkusen (IG Farben successor firm)
Karl Wurster	IG Director, manager of Ludwigshafen factory; Nazi commissar for stolen Aussiger Factory in Czechoslovakia	acquitted	Chairman of board of directors of Badische Anilin- und Sodafabrik AG, Ludwigshafen (successor firm of IG Farben): Director of Duisburger Kupferhuette (owned 100% by three main IG successor firms.) Director of Süddeutsche Bank AG, Munich.
Heinrich Gattineau	Head of economic-political department in IG Berlin office; Nazi SA (storm troop) officer	acquitted	Chairmann of directors of Rheinische Gummi- und Celluloid-Fabrik, Mannheim (subsidiary of IG Farben successor firm Dynamit AG: 8% share capital by E. I. Du Pont de Nemours & Co., Wilmington USA, 8% held by Imperial Chemical Industries, Britain): director of following firms — Wasag AG, Essen (IG Farben successor firm); Superphosfatfabrik, Nordenham; Union Chemischer Fabrik, Nordenham; Westfälisch-Anhaltische Sprengstoff AG, Essen (explosives); Nitro-Chemie AG, Munich; Guano-Werke AG, Hamburg

Name	Position under Hitler	Sentence	Present Occupation (1954)
Carl Krauch	Chairman of IG management committee. Special director for chemical production on Goering's staff	6 years	No data available Most of these men are probably now past retirement age.
Hermann Schmitz	Chairman of board of IG. Director of Bank for International Settlement. Member of nazi Reichstag	4 years	
Georg von Schnitzler	IG Farben director: Head of commercial cttee	5 years	
August von Knieriem	IG Farben director: Head of legal dept.	acquitted	
Ernst Buergin	IG director: Manager of Bitterfeld and Wolfen factories	2 years	
Paul Haefliger	IG director: Member of commercial cttee	2 years	
Friedrich Jaehne	IG director: Construction chief	18 months	
Heinrich Oster	IG director: Head of nitrogen department	2 years	
Erich von der Heyde	Member of political-economic dept. in IG Berlin office	acquitted	
Max Brueggemann	IG director: director of legal and patent depts	indicted, but not brought to trial	

THE TRIAL OF IG FARBEN

The trial of 24 leading executives of the IG Farbenindustrie, the great chemical combine, took place in Nuremberg from August 27th 1947 to July 30th 1948 before a US court presided over by Judge Curtis G. Shake of Indiana. (The names of defendants and their positions in the trust are given in the table on page 103 et seq., ed.)

All the defendants pleaded not guilty.

The 20,000 word indictment charged that every phase of Farben production had been synchronised with the military plans of the German High Command from an early date; that the directors of the concern had cooperated fully with the aims of Hitler and the nazi government; that through cartel arrangements IG Farben had prevented US concerns from shipping essential material to other Allies until the US entered the war; that it had illegally acquired extensive properties in the occupied countries; and that it had made extensive use of slave labour.

Listing 400 concerns in Germany and 500 in other countries in which IG Farben had interests, the indictment said that without access to the products of these concerns Germany could not have waged war, adding inter alia that IG Farben provided 100 percent of Germany's supply of synthetic rubber, gasoline, methanol, and lubricating oil, that its assets in 1943 were "conservatively" estimated at over 6,000,000,000 marks, and that it had over 250,000 persons on its payroll in that year.

Specifically, the indictment charged IG Farben with:

a) conspiracy to wage aggressive war;

b) robbery and spoliation in occupied countries;

c) making use of its foreign interests to hamper production in

(Continued)

THE TRIAL OF IG FARBEN

countries potentially hostile to Germany;

d) fostering a vast espionage system through its foreign interests;

e) the mass murder of civilians.

In the latter connection IG Farben was particularly charged with the production of poison gas which was used experimentally on the inmates of Auschwitz concentration camp.

During the trial, evidence was given by former inmates of Auschwitz that the IG Farben plant at that camp had produced a deadly poison gas ("Cyclone B" gas) which had been used in the mass killing of the millions who died in the Auschwitz gas-chambers; among those giving such testimony was an Englishman, Mr C. J. Howard of Edmonton (a former sergeant-major), who described the brutality with which the Auschwitz prisoners were treated and the mass murder of Jews and anti-nazis by poison gas.

Other evidence presented by the prosecution showed inter alia that even before the German occupation of Poland and Czechoslovakia the IG Farben had made plans to take over chemical and other works in those countries, and that the concern had given large sums to the nazi party and the SS over many years...

As in the Krupp trial, the court found that the defendants could not be accused of conspiracy to wage aggressive war, and dropped this count of the indictment... On the other counts of the indictment — plunder and spoliation, use of slave labour, and responsibility for the death of concentration camp inmates — 13 of the accused were found guilty in various degrees. (List of sentences in table on page 103 et seq., ed.)

(From Keesing's Contemporary Archives, Bristol, England, pages 9477-78)

PROFILE

Max Ilgner, Spy & "Christian Reconstructor"

Herr Max Ilgner, former director of IG Farben, sentenced in 1948 to a term of imprisonment for war crimes, is now Chairman of the "International Society for Christian Reconstruction".

He has plenty of international experience. Here is what American author Richard Sasuly has to say about him in his book "IG Farben", published in New York in 1947:

The head of the IG spy ring was Max Ilgner. Ilgner was a dynamic and ambitious young man, the nephew of Geheimrat Schmitz (Chairman of IG Farben). Officially he was known simply as the Director of Finance for IG. But his office, called Berlin NW 7, had functions far removed from finance.

Like his uncle Schmitz, Ilgner appreciated the value of secrecy. He ran his office with a strong hand, and none of his chief assistants had a complete picture of the whole operation. Ilgner had early joined the nazi party and maintained relations with such party leaders as Goebbels.

The largest section of NW 7, and the one which had the main intelligence function, bore the innocent title of Statistical Department. The functions of the Statistical Department were described by a Farben official as follows:

"Such tasks and work were to prepare all records, files, reports, maps and figures requested by the officers of the OKW (High Command of the Wehrmacht); to complete them out of other archives at the disposal of the OKW by news and reports reaching IG Berlin NW 7;... to prepare reports and maps about industries and agricultural production abroad, considering especially the bottlenecks in capacities and raw materials. To make inquiries about production and to prepare reports about the economic situation of foreign countries..."

All of the functions described here are well within the normal run of intelligence operations. What is remarkable is the fact that the Supreme Command of the Army, which boasted of having the most highly developed staff in the world, should call on a private business concern to do this work for it. Even more remarkable is Ilgner's own admission that relations with the OKW began as far back as 1928...

The German army thought so highly of NW 7's general intelligence work and of its more specific jobs like the making of bomb surveys for the Luftwaffe that one of Ilgner's serious problems was to prevent the OKW from bodily taking over whole sections of NW 7.

(At the beginning of the nazi period there was friction between IG Farben agents, and newly established nazi agents) but matters were soon enough taken in hand by the energetic Max Ilgner. He was able to report on returning to Germany from Latin America in 1936 that: "...cooperation with the German authorities during the past years... has improved and been intensified, and also in particular the cooperation with the foreign organisations of the nazi party is continually developing in a more and more positive direction".

The reason for the more successful cooperation with the nazi party was made clear in another report by Ilgner the next year, in 1937:

"In no case will men be sent to our foreign companies who do not belong to the German Labour Front and who do not possess a positive attitude toward the New Order. The men who are sent should make it their special duty to represent National Socialist Germanhood... The sales department should see to it that an appropriate amount of National Socialist literature is given to them."

Records found in the main files in Frankfurt indicated that between 1940 and 1942 a sum of nearly ten million marks was sent to nazi foreign agents through IG's Bayer agencies alone.

(When Max Ilgner was interrogated in 1945 by American officers he stated):

"The general policy of the nazi government in respect to the conquered countries was to take as much out of those countries as possible... IG played an important role in adapting the industries of those countries to the purposes of the nazi war machine... IG acquired new companies, augmented its participation in other companies and made a tremendous amount of new capital investments in the conquered countries."

Readers interested in more facts about the history of IG Farben can find them in the book "IG Farben" by Richard Sasuly, published in New York by the firm of Boni and Gaer in 1947.

Those interested in the details of the trial can find much material in "Generals in Grey Suits" by Josiah Dubois, published in London by The Bodley Head in 1953.

HOW IG FARBEN MADE COME BACK

A Chronologicol Survey of Post-War Years

1945

May. War in Europe ends with complete occupation. Main IG Farben directors rounded up by four allies as war criminals.

July 5th: US Military Government issues order seizing control of all industries owned by IG Farben because they "constitute a major threat to the peace and security of the post-war world".

September: US financial interests begin moves to protect IG Farben. Brigadier General William Draper, Commanding Officer of Economics Division of US Military Government, and leading Wall Street banker (Dillon, Read & Co), obtains removal of Colonel Bernard Bernstein, US Finance Director in Germany, who was making serious effort to probe and break up IG Farben.

October 12th: Four-Power Control Council in Berlin decided to seize and confiscate all property of IG Farben.

November 30th: IG Farben confiscation law promulgated by Four-Power Control Council. (This law was put into effect only in the Soviet Zone)

December: Trading in IG Farben shares resumed in stock markets at Hamburg, Frankfurt, Munich. IG Farben mustard gas factory at Gendorf, Bavaria, went back into action making anti-freeze for occupation troops.

1946

March: Small scale token dismantling of minor IG Farben plants for reparations in US Zone. No dismantling at large central plants which were moving back into production.

May 26th: US Military Governor General Clay announced that reparations were being stopped.

1947

August 27th: 24 leaders of IG Farben go on trial in Nuremberg charged with war crimes.

1948

July 30th: Sentences pronounced in IG Farben war crimes trial. US financial circles have been so successful in defending accused that all are acquitted of waging aggressive war, and only 13 are convicted on charges of looting and murder. Highest sentence pronounced is eight years imprisonment, and six of those sentenced are immediately released (for full details of sentences see page 103 et seq., ed.)

1949

Spring: Almost all IG Farben factories in West Germany are back in full production under nominal allied control. Former nazi directors and managers, including accused at Nuremberg, are again in charge of plant.

May 31st: U.S. Deputy Military Governor General George P. Hays announces that agreement has been reached with British Military Governor to put up for sale one major unit of IG Farben combine "as quickly as possible". (This agreement was never put into effect.)

1950

August 28th: The Western High Commission issues a law on the dispersal of the assets of IG Farben. The law orders the combine to be broken up into "such a number of economically sound and independent companies as will ensure dispersion of ownership and promote competition in the German chemical and related industries". The law orders all assets of IG Farben to be sold to new independent companies; all persons convicted of war crimes or of having participated in the aggressive nazi war aims are barred from any position in the new companies. (This ban remained a dead letter from the very day of its enactment.)

December: Production of the three main IG Farben successor companies (Bayer, Badische Anilin and Hoechst) had already reached annual figure of 1,517,000,000 marks, a higher figure than the total IG Farben production in 1937 at the height of Hitler's rearmament.

1951

January: Former US War Minister Robert P. Patterson visits West Germany "in order to intervene with the High Commissioners in favour of the share-holders in IG Farben" (Hamburger Freie Presse, February 23rd 1951).

July: Dealing in IG Farben shares, formerly on a semi-illicit basis, is formally recognised on all West German stock markets.

December 7th: "Farbwerke Hoechst" formally established as first of "independent" successor companies of IG Farben, with capital of 285 million marks.

December 19th: "Farbenfabriken Bayer" established as second great successor company, with capital of 387 million marks.

1952

January 30th: "Badische Anilin- und Sodafabrik" established with capital of 340 million marks. The shares of the new companies were issued to the old shareholders in exchange for their old shares, so that the three new companies are totally controlled by exactly the same group of financiers as controlled IG Farben. The three new companies employed a total of 77,000 workers in January 1952

December: Production of the three main successor companies reaches 2,246,000,000 marks — higher figure than in 1940, when nazi war boom was in full swing.

1953

March 28th: "The three great successor companies are expected to coordinate their dividend payments for the current year... There are various other points of contact between the successor companies... they own for instance the Duisburger Kupferhuette jointly, and there are other connections." (Frankfurter Allgemeine, March 28th 1953)

1954

May 28th: The IG Farben successor companies agree to pay uniform dividends of seven percent. Money goes to the same stock-holders who formerly made profits from "Zyklon" gas used in Hitler's concentration camps.

RADIO REPORT ON EAST GERMANY

"In East Berlin all faces are marked by hunger and privation . . .

. . . rigid regimentation, not a trace of freedom . . .

. . . old and young are brutally led away by the police . . .

. . . no one dares to smile, let alone open his mouth . . .

. . . the innocent victims of oppression flee to the West . .

. . . many simply disappear"

Drawn by Elizabeth Shaw, Berlin

Edited and published fortnightly by John Peet, Democratic German Report, Friedrichstrasse 167/III Berlin W 8L. Telephone: 22 62 68. Printed in Germany by (36). Veröffentlicht unter Lizenz-Nr. 694 beim Presseamt des Ministerpräsidenten der Deutschen Demokratischen Republik